

Ordinance No. 118279

Council Bill No. 111385

INDEXED

*we*  
The City of Seattle - Legislative  
Council Bill/Ordinance sponsored

AN ORDINANCE relating to the Seattle  
City Light Department; amending  
Seattle Municipal Code Section  
21.49.058 to add an optional  
experimental rate schedule for High  
Demand General Service customers.

*Law Department*

Committee  
*Full*

*Do pass 3-0 9-5-96*

CF No. \_\_\_\_\_

Date Introduced: <u>SEP 3 - 1996</u>		
Date Referred: <u>SEP 3 - 1996</u>	To: (committee)	UTILITIES & ENVIRONMENTAL MANAGEMENT COMMITTEE
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage: <u>SEP 16 1996</u>	Full Council Vote:	
Date Presented to Mayor: <u>SEP 17 1996</u>	Date Approved: <u>SEP 23 1996</u>	
Date Returned to City Clerk: <u>SEP 23 1996</u>	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. <input checked="" type="checkbox"/> <i>pg 8</i>
Date Vetoes by Mayor:	Date Veto Public:	
Date Passed Over Veto:	Veto Sustained: <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">OK</span>	

*9/9/96 Held one week*

*Full Council Vote*

This file is complete and ready for presentation to F

Law Dept. Review

OMP  
Review

City  
Rev

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The City of Seattle - Legislative Department

INDEXED Council Bill/Ordinance sponsored by: PAGELER  
Councilmember

*Law Department*

Committee Action:

*Do pass 3-0 9-5-96*

*9/9/96 Held one week motion by pageler*

*Full Council vote 9-0*

This file is complete and ready for presentation to Full Council. Committee: \_\_\_\_\_  
(initial/date)

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ORDINANCE 118279

AN ORDINANCE relating to the Seattle City Light Department; amending Seattle Municipal Code Section 21.49.058 to add an optional experimental rate schedule for High Demand General Service customers.

WHEREAS, Seattle Municipal Code Chapter 21.49, Ordinance 110733 (adopted August 23, 1982) established rates for Seattle City Light and has been amended by Ordinances 110829, 110919, 111104, 111243, 111615, 112441, 112637, 112738, 113636, 114459, 114835, 115951, 116291, 116619, 117115, and 117490; and

WHEREAS, as a result of a 1996 amendment to City Light's contract with the Bonneville Power Administration (BPA), City Light will be buying (or paying an availability charge for) a smaller proportion of power from BPA and will be obtaining a greater proportion of power from non-firm energy sources; and

WHEREAS, obtaining more power from non-firm energy sources is expected to produce substantial benefit to the utility overall even though it also involves exposure to price risk; and

WHEREAS, it would be to City Light's benefit to share that risk with its largest customers; and

WHEREAS, several of City Light's largest customers have requested that City Light provide them access to the non-firm energy market and market-based prices; NOW THEREFORE,

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Seattle Municipal Code Section 21.49.058 is amended as follows:

**SMC 21.49.058 High Demand General Service (Schedules 42, ((and)) 43 and 44)**

A. Schedules 42, ((and)) 43 and 44 are for general service customers who have in the previous calendar year billings for half or more than half of their normal billings at 10,000 kW of maximum demand or greater, and who are located outside the Seattle City Light Department's network system. Classification of new customers will be based on the Department's estimates of maximum demand in the current year.

**Schedule 42: High Demand General Service: Standard**

Schedule 42 is for High Demand General Service customers for general service uses of electricity.

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1 RATES EFFECTIVE MARCH 1, 1995:

2 Energy Charges:

3 Summer Billing Cycles (March-October)

4 Peak: Energy used between 7 a.m. and 10 p.m., Monday through Friday, excluding major  
holidays,\* at 3.66¢ per kWh

5 Off-peak: Energy used at all times other than the peak period at 2.43¢ per kWh

6 Winter Billing Cycles (November-February)

7 Peak: Energy used between 7 a.m. and 10 p.m., Monday through Friday, excluding major  
holidays,\* at 4.56¢ per kWh

8 Off-peak: Energy used at all times other than the peak period at 3.00¢ per kWh

9 Demand Charges:

10 Summer Billing Cycles (March-October)

11 Peak: All kW of maximum demand between 7 a.m. and 10 p.m., Monday through Friday,  
excluding major holidays,\* at \$0.59 per kW

12 Off-peak: No charge

13 Winter Billing Cycles (November-February)

14 Peak: All kW of maximum demand between 7 a.m. and 10 p.m., Monday through Friday,  
excluding major holidays,\* at \$0.87 per kW

15 Off-peak: No charge

16 Minimum Charge: The minimum monthly charge for each meter shall be \$1,711.00.

17 RATES EFFECTIVE MARCH 1, 1996:

18 Energy Charges:

19 Summer Billing Cycles (March-October)

20 Peak: Energy used between 7 a.m. and 10 p.m., Monday through Friday, excluding major  
holidays,\* at 3.85¢ per kWh

21 Off-peak: Energy used at all times other than the peak period at 2.55¢ per kWh

22 Winter Billing Cycles (November-February)

23 Peak: Energy used between 7 a.m. and 10 p.m., Monday through Friday, excluding major  
holidays,\* at 4.87¢ per kWh

Off-peak: Energy used at all times other than the peak period at 3.18¢ per kWh

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**Demand Charges:**

**Summer Billing Cycles (March-October)**

**Peak:** All kW of maximum demand between 7 a.m. and 10 p.m., Monday through Friday, excluding major holidays,\* at \$0.50 per kW

**Off-peak:** All kW of maximum demand in excess of peak period maximum demand, at all times other than the peak period, at \$0.15 per kW

**Winter Billing Cycles (November-February)**

**Peak:** All kW of maximum demand between 7 a.m. and 10 p.m., Monday through Friday, excluding major holidays,\* at \$0.50 per kW

**Off-peak:** All kW of maximum demand in excess of peak period maximum demand, at all times other than the peak period, at \$0.15 per kW

**Minimum Charge:** The minimum monthly charge for each meter shall be \$1,770.00.

\*Major holidays excluded from the peak period are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

**Discounts:**

**Transformer losses -**

$1756 + 3285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

**Transformer investment -**

Effective March 1, 1995:

\$0.14 per kW of monthly maximum demand

Effective March 1, 1996:

\$0.15 per kW of monthly maximum demand

**Schedule 43: High Demand General Service: Industrial**

Schedule 43 is for High Demand General Service customers for industrial services at plants where the primary function is manufacturing, processing, refining or freezing, and for which the major portion of the electrical service is used on an ongoing and regular basis for one or more of the aforementioned primary functions.

**RATES EFFECTIVE MARCH 1, 1995:**

**Energy Charges:**

**Summer Billing Cycles (March-October)**

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Peak: Energy used between 7 a.m. and 10 p.m., Monday through Friday, excluding major holidays,\* at 3.52¢ per kWh

Off-peak: Energy used at all times other than the peak period at 2.34¢ per kWh

Winter Billing Cycles (November-February)

Peak: Energy used between 7 a.m. and 10 p.m., Monday through Friday, excluding major holidays,\* at 4.39¢ per kWh

Off-peak: Energy used at all times other than the peak period at 2.90¢ per kWh

Demand Charges:

Summer Billing Cycles (March-October)

Peak: All kW of maximum demand between 7 a.m. and 10 p.m., Monday through Friday, excluding major holidays,\* at \$0.59 per kW

Off-peak: No charge

Winter Billing Cycles (November-February)

Peak: All kW of maximum demand between 7 a.m. and 10 p.m., Monday through Friday, excluding major holidays,\* at \$0.87 per kW

Off-peak: No charge

Minimum Charge: The minimum monthly charge for each meter shall be \$1,711.00.

RATES EFFECTIVE MARCH 1, 1996:

Energy Charges:

Summer Billing Cycles (March-October)

Peak: Energy used between 7 a.m. and 10 p.m., Monday through Friday, excluding major holidays,\* at 3.75¢ per kWh

Off-peak: Energy used at all times other than the peak period at 2.49¢ per kWh

Winter Billing Cycles (November-February)

Peak: Energy used between 7 a.m. and 10 p.m., Monday through Friday, excluding major holidays,\* at 4.80¢ per kWh

Off-peak: Energy used at all times other than the peak period at 3.13¢ per kWh

Demand Charges:

Summer Billing Cycles (March-October)

Peak: All kW of maximum demand between 7 a.m. and 10 p.m., Monday through Friday, excluding major holidays,\* at \$0.50 per kW

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Off-peak: All kW of maximum demand in excess of peak period maximum demand, at all times other than the peak period, at \$0.15 per kW

Winter Billing Cycles (November-February)

Peak: All kW of maximum demand between 7 a.m. and 10 p.m., Monday through Friday, excluding major holidays,\* at \$0.50 per kW

Off-peak: All kW of maximum demand in excess of peak period maximum demand, at all times other than the peak period, at \$0.15 per kW

Minimum Charge: The minimum monthly charge for each meter shall be \$1,770.00.

\*Major holidays excluded from the peak period are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Discounts:

Transformer losses -  
 $1756 + .53285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

Transformer investment -  
Effective March 1, 1995:  
\$0.14 per kW of monthly maximum demand

Effective March 1, 1996:  
\$0.15 per kW of monthly maximum demand

**Schedule 44: High Demand General Service Experimental**

Schedule 44 is an optional, experimental rate schedule for High Demand General Service customers eligible to be served under Schedules 42 or 43. A customer that chooses this rate schedule may not return to a standard rate schedule for a period of one year after electing this schedule except that, should a new rate ordinance which changes Schedule 44 be adopted during this time, the customer may request return to a standard rate schedule on the effective date of the new ordinance.

**RATES EFFECTIVE OCTOBER 1, 1996**

Energy Charge:

$(\text{DJ-COB Price in } \$/\text{kWh} - 0.05\$/\text{kWh}) \times 1.16725 + 0.15\$/\text{kWh}$

The DJ-COB (Dow Jones-California Oregon Border) Price is the appropriate peak or off-peak DJ-COB non-firm price converted to \$ per kWh for the day and time period of the

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1 consumption. Peak and off-peak periods will be as defined by the DJ-COB Price rather than  
2 as defined in the Demand Charges section of Schedule 44 or elsewhere in this ordinance. In  
3 the case that a price is not available for a given day, the average of the preceding and  
4 following days' prices will be used. Peak and off-peak prices will be calculated separately via  
5 this method.

6 Retail Services Charge: 1.49 ¢/kWh

7 Demand Charges:

8 Peak: All kW of maximum demand between 7 a.m. and 10 p.m., Monday through Friday,  
9 excluding major holidays\*, at \$ .50 per kW

10 Off-peak: All kW of maximum demand in excess of peak period maximum demand, at all  
11 times other than the peak period, at \$ .15 per kW

12 Minimum Charge: The minimum monthly charge for each meter shall be \$1,770.00.

13 \*Major holidays excluded from the peak period are New Year's Day, Memorial Day,  
14 Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

15 Discounts:

16 Transformer losses -  
17  $1756 + .53285 \times \text{kW} + .00002 \times \text{kW}^2 + .00527 \times \text{kWh}$

18 Transformer investment -  
19 \$0.15 per kW of monthly maximum demand

20 B. For customers metered on the primary side of a transformer, a discount for  
21 transformer losses will be provided by reducing the monthly kWh billed by the number of kWh  
22 computed in Section 21.49.058, Subsection A.

23 C. For customers who provide their own transformation from the Department's standard  
distribution system voltage of 4 kV, 13 kV, or 26 kV to a utilization voltage, a discount for  
transformer investment will be provided in the amount stated in Section 21.49.058, Subsection A.  
Existing customers served by the Department's 34.5 kV system as of January 1, 1995 shall be  
considered as receiving standard distribution voltage for the purpose of this section. This 34.5 kV  
voltage will not be offered as a standard distribution system voltage for any new customers.

D. The Department reserves the right to control the use of service to electric space-  
heating equipment during such hours as may be deemed necessary. The customer may be required  
to provide suitable space-heating service controls as determined by the Department.

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1 E. For High Demand industrial service, the Department will provide a single service for  
2 all customer load. An exception to this condition of service will be load previously served under  
3 the terms of a contract for interruptibility; or Subsection D under Section 21.49.090.

4 F. Any customer who adds a New Large Single Load to the Seattle City Light  
5 Department service area shall be subject to the additional charges described in Section 21.49.090,  
6 Subsection N.

7 G. Customers must provide hourly load schedules each day for the following day. If a  
8 customer's load follows a regular pattern, the Department may, at its discretion, waive this  
9 requirement and request only to be informed of temporary or permanent changes to the pattern.

10 H. The Department may request voluntary load interruption during an emergency. If  
11 interruption occurs, the demand charge will be waived for the billing period in which the  
12 interruption occurs.

13 I. Customers who request service under Schedule 44 will be selected solely at the option  
14 of Seattle City Light, based upon the research goals of this experiment.

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1 J. Customers served under Schedule 44 shall provide Seattle City Light with access to  
2 their telephone equipment and pay any initial and ongoing charges for additional telephone  
3 equipment needed for the Department to communicate with its metering equipment.

4 Section 2. Any act pursuant to the authority and prior to the effective date of this  
5 ordinance is hereby ratified and confirmed.

6 Section 3. This ordinance shall take effect and be in force thirty (30) days from and  
7 after its approval by the Mayor, but if not approved and returned by the Mayor within ten  
8 (10) days after presentation, it shall take effect as provided by Municipal Code Section  
9 1.04.020.

10 PASSED by the City Council of the City of Seattle this 16 day of  
11 September, 1996, and signed by me in open session in authentication of its passage  
12 this 16 day of September, 1996.

13 Jan Fross  
14 President of the City Council  
15 Approved by me this 23 day of September, 1996.  
16 Maurice B. Rice  
17 Mayor

18 Filed by me this 23 day of September, 1996.  
19 Julie E. Pappin  
20 City Clerk  
21 (Seal)

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# Seattle City Light

Gary Zarker, Superintendent  
Norman B. Rice, Mayor



August 23, 1996

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AUG 23 1996

The Honorable Jan Drago, President  
Seattle City Council  
600 Fourth Avenue  
11th Floor, Municipal Building  
Seattle, WA 98104-1873

via: Tom Tierney, Director  
Office of Management and Planning

Dear Councilmember Drago:

## Optional Experimental Rate Schedule for High Demand General Service Customers

Seattle City Light proposes that the City Council amend the Seattle City Light Rate Ordinance to include a new Schedule 44: High Demand General Service Experimental.

As a result of a 1996 amendment to City Light's contract with the Bonneville Power Administration (BPA), City Light will be buying (or paying an availability charge for) a smaller proportion of power from BPA and will be obtaining a greater proportion of power from non-firm energy sources in the future. While obtaining more power from non-firm sources is expected to produce substantial benefit to the utility's ratepayers overall, it also involves exposure to price risk. Since several of City Light's largest customers have requested that City Light provide them access to the non-firm energy market and market-based prices, it would be to City Light's benefit to share its price risk exposure with those customers and at the same time offer the requested customer service.

The amendment proposed would provide an optional experimental rate schedule for High Demand General Service customers (those who meet the requirements for service under Schedule 42 or 43). The proposed rate schedule incorporates two elements which are different from the current High Demand General Service rate schedules: a market-based, time-differentiated energy charge and a retail services charge. Demand charges, the monthly minimum charge, and discounts are the same as under the current High Demand General Service rate schedules. Customers served under the experimental rate schedule would also be

An Equal Employment Opportunity Affirmative Action Employer  
City of Seattle - City Light Department, 700 Fifth Avenue, Suite 3100, Seattle, Washington 98104-5031  
Telephone: (206) 625-3000 TDD: (206) 684-3225 FAX: (206) 625-3709  
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The Honorable Jan Drago, President  
Page 2

subject to the normal power factor charge, as appropriate. The experimental rate schedule would be effective October 1, 1996, and remain in effect until the City Council adopts new rate schedules. We anticipate that new rate schedules will go into effect March 1, 1997.

The proposed amendment would also add two conditions to the High Demand General Service section of the Seattle City Light Rate Ordinance:

1. That selection of customers to be served under the experimental rate schedule would be at the option of Seattle City Light; and
2. That customers served under the experimental rate schedule would be required to provide access to their telephone equipment to Seattle City Light and also pay charges for additional telephone equipment that might be needed to enable Seattle City Light to communicate with its metering equipment.

For more information on the proposed Schedule 44, please contact Carol Everson, Acting Rates Manager, at 684-3181.

Sincerely,



Gary Zarker  
Superintendent

pjl

Enclosures

cc: w/enclosures  
Mayor Norman B. Rice  
Yazmin Mehdi, OMP

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THE ATTACHED DOCUMENT IS SPONSORED FOR FILING WITH THE CITY COUNCIL BY  
THE MEMBER(S) OF THE CITY COUNCIL WHOSE SIGNATURE(S) ARE SHOWN BELOW:

*Margaret Pappas*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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COMMITTEE(S) REFERRED TO:

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# City of Seattle

Executive Department—Office of Management and Planning

Thomas M. Tierney, Director  
Norman B. Rice, Mayor

August 23, 1996

The Honorable Mark Sidran  
City Attorney  
City of Seattle

Dear Mr. Sidran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING  
DEPARTMENT: City Light

SUBJECT: AN ORDINANCE relating to the Seattle City Light Department;  
amending Seattle Municipal Code Section 21.49.058 to add an  
optional experimental rate schedule for High Demand General Service  
customers.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this  
request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the  
legislation to OMP. Any specific questions regarding the legislation can be directed to Yazmin  
Mehdi at 684-8088.

Sincerely,

Norman B. Rice  
Mayor

by

*Yazmin Mehdi*

for TOM TIERNEY  
Director  
h:\admin\legis\law\trsmehdi14

Enclosure



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**STATE OF WASHINGTON - KING COUNTY**

72847  
City of Seattle, City Clerk

—SS.

No. ORDINANCE 1N

**Affidavit of Publication**

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:ORD 118279

was published on

10/03/96

The amount of the fee charged for the foregoing publication is the sum of \$ , which amount has been paid in full.

Subscribed and sworn to before me on

*[Signature]*  
10/03/96

Notary Public for the State of Washington,  
residing in Seattle

Affidavit of Publication

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